

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 1368**

Introduced by Urban Affairs Committee: Hartnett, 45, Chairperson;  
Connealy, 16; Preister, 5; Quandahl, 31;  
Redfield, 12; Smith, 48

Read first time January 20, 2000

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-3442, Revised Statutes Supplement, 1999; to change  
3 levy limitations with respect to sanitary and improvement  
4 districts; to repeal the original section; and to declare  
5 and emergency.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-3442, Revised Statutes Supplement,  
2 1999, is amended to read:

3           77-3442. (1) Property tax levies for the support of  
4 local governments for fiscal years beginning on or after July 1,  
5 1998, shall be limited to the amounts set forth in this section  
6 except as provided in section 77-3444.

7           (2)(a) Except as provided in subdivision (2)(b) of this  
8 section, school districts and multiple-district school systems may  
9 levy a maximum levy of (i) one dollar and ten cents per one hundred  
10 dollars of taxable valuation of property subject to the levy until  
11 fiscal year 2001-02 and (ii) one dollar per one hundred dollars of  
12 taxable valuation of property subject to the levy for fiscal year  
13 2001-02 and all subsequent fiscal years. Excluded from this  
14 limitation are amounts levied to pay for sums agreed to be paid by  
15 a school district to certificated employees in exchange for a  
16 voluntary termination of employment and amounts levied to pay for  
17 special building funds and sinking funds established for projects  
18 commenced prior to April 1, 1996, for construction, expansion, or  
19 alteration of school district buildings. For purposes of this  
20 subsection, commenced means any action taken by the school board on  
21 the record which commits the board to expend district funds in  
22 planning, constructing, or carrying out the project.

23           (b) Federal aid school districts may exceed the maximum  
24 levy prescribed by subdivision (2)(a) of this section only to the  
25 extent necessary to qualify to receive federal aid pursuant to  
26 Title VIII of Public Law 103-382. For purposes of this  
27 subdivision, federal aid school district means any school district  
28 which receives ten percent or more of the revenue for its general

1 fund budget from federal government sources pursuant to Title VIII  
2 of Public Law 103-382.

3 (3) Community colleges may levy a maximum levy on each  
4 one hundred dollars of taxable property subject to the levy of (a)  
5 eight cents for fiscal year 1998-99 and fiscal year 1999-2000 and  
6 (b) seven cents for fiscal year 2000-01 and each fiscal year  
7 thereafter.

8 (4) Natural resources districts may levy a maximum levy  
9 of four and one-half cents per one hundred dollars of taxable  
10 valuation of property subject to the levy.

11 (5) Educational service units may levy a maximum levy of  
12 one and one-half cents per one hundred dollars of taxable valuation  
13 of property subject to the levy.

14 (6) Incorporated cities and villages may levy a maximum  
15 levy of forty-five cents per one hundred dollars of taxable  
16 valuation of property subject to the levy plus an additional five  
17 cents per one hundred dollars of taxable valuation to provide  
18 financing for the municipality's share of revenue required under an  
19 agreement or agreements executed pursuant to the Interlocal  
20 Cooperation Act or the Joint Public Agency Act. The maximum levy  
21 shall include amounts levied to pay for sums to support a library  
22 pursuant to section 51-201, museum pursuant to section 51-501,  
23 visiting community nurse, home health nurse, or home health agency  
24 pursuant to section 71-1637, or statue, memorial, or monument  
25 pursuant to section 80-202.

26 (7) Sanitary and improvement districts which have ~~been in~~  
27 ~~existence~~ levied a property tax other than the bond tax levy for  
28 more than five years may levy a maximum levy of forty cents per one

1 hundred dollars of taxable valuation of property subject to the  
2 levy, and sanitary and improvement districts which have ~~been in~~  
3 ~~existence~~ levied a property tax other than the bond tax levy for  
4 five years or less shall not in each of those five years have a  
5 maximum levy.

6 (8) Counties may levy or authorize a maximum levy of  
7 fifty cents per one hundred dollars of taxable valuation of  
8 property subject to the levy, except that five cents per one  
9 hundred dollars of taxable valuation of property subject to the  
10 levy may only be levied to provide financing for the county's share  
11 of revenue required under an agreement or agreements executed  
12 pursuant to the Interlocal Cooperation Act or the Joint Public  
13 Agency Act. The maximum levy shall include amounts levied to pay  
14 for sums to support a library pursuant to section 51-201 or museum  
15 pursuant to section 51-501. The county may allocate up to fifteen  
16 cents of its authority to other political subdivisions subject to  
17 allocation of property tax authority under subsection (1) of  
18 section 77-3443 and not specifically covered in this section to  
19 levy taxes as authorized by law which do not collectively exceed  
20 fifteen cents per one hundred dollars of taxable valuation on any  
21 parcel or item of taxable property. The county may allocate to one  
22 or more other political subdivisions subject to allocation of  
23 property tax authority by the county under subsection (1) of  
24 section 77-3443 some or all of the county's five cents per one  
25 hundred dollars of valuation authorized for support of an agreement  
26 or agreements to be levied by the political subdivision for the  
27 purpose of supporting that political subdivision's share of revenue  
28 required under an agreement or agreements executed pursuant to the

1 Interlocal Cooperation Act or the Joint Public Agency Act. If an  
2 allocation by a county would cause another county to exceed its  
3 levy authority under this section, the second county may exceed the  
4 levy authority in order to levy the amount allocated.

5 (9) Property tax levies for judgments obtained against a  
6 political subdivision which require or obligate a political  
7 subdivision to pay such judgment, to the extent such judgment is  
8 not paid by liability insurance coverage of a political  
9 subdivision, for preexisting lease-purchase contracts approved  
10 prior to July 1, 1998, for bonded indebtedness approved according  
11 to law and secured by a levy on property, and for payments by a  
12 public airport to retire interest-free loans from the Department of  
13 Aeronautics in lieu of bonded indebtedness at a lower cost to the  
14 public airport are not included in the levy limits established by  
15 this section.

16 (10) The limitations on tax levies provided in this  
17 section are to include all other general or special levies provided  
18 by law. Notwithstanding other provisions of law, the only  
19 exceptions to the limits in this section are those provided by or  
20 authorized by sections 77-3442 to 77-3444.

21 (11) Tax levies in excess of the limitations in this  
22 section shall be considered unauthorized levies under section  
23 77-1606 unless approved under section 77-3444.

24 (12) For purposes of sections 77-3442 to 77-3444,  
25 political subdivision means a political subdivision of this state  
26 and a county agricultural society.

27 Sec. 2. Original section 77-3442, Revised Statutes  
28 Supplement, 1999, is repealed.

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1                   Sec. 3. Since an emergency exists, this act takes effect  
2 when passed and approved according to law.